(CENTRAL INTE	LLIGENCE AGENCY	REPO	RT NO.	
INFORMAT	ION REPOR	CD N	0.	25X1A
COUNTRY Czechoslovakia		DATE I	DISTR. /3	May 1954
SUBJECT Organization and Structure of Co	ommunal Enterpris	es NO. O	F PAGES 3	
PLACE ACQUIRED		NO. O	ENCLS.	
DATE	25X1A		EMENT TO	
CQUIRE		REPOR		
DATE OF :				
THIS ODCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REFE- LATION OF 1TS CONTENTS TO OR RECEIFT BY AN UNAUTHORIZED FERSON IS	THIS I	S UNEVALUAT	ED INFOR!	MATION
				2
than an a				
"Communal enterprises were formed in Interior. The growth of communal enter	1948 by a decree	of the Mini	stry of t	he
Interior. The growth of communal ente quidation of private property ownersh	rprisas was so g	reat, because	of the l	1-
quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was	erprisas was so g ip, that control onal levels in 19	reat, because of communal 19 A speci	of the lenterpri	1- .səs n
quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise	erprisas was so g ip, that control onal levels in 19	reat, because of communal 19 A speci	of the lenterpri	i- səs n
interior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was e rior to supervise communal enterprise ed by the Central Inspectorate.	erprises was so grin, that control mal levels of 19 stablished by the se. Any changes	reat, because of communal 19a A speci Ministry of to be made h	of the lenterprial section of the Intak ad to be	1- səs n e- pass-
Interior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as lie	erprises was so grin, that control mal levelagin 19 stablished by the s. Any changes	reat, because of communal 19 A speci of Ministry of the be made h	of the l enterpri al section f the Int ad to be	1- səs n e- pass-
unterior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as lianistries. It is headed by the Deputy of a group of 'experts', all men with	erprises was so guin, that control mal levelagin 19 stablished by the s. Any changes dison between the Minister of the a university ed	reat, because of communal 19 A speci s Ministry of to be made henterprises Interior, and antion. The	of the lenterprish section of the Intad to be and other	i- ses n e- pass- r mi- posed
interior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as lie	erprises was so guin, that control mal levelagin 19 stablished by the s. Any changes dison between the Minister of the a university ed	reat, because of communal 19 A speci s Ministry of to be made henterprises Interior, and antion. The	of the lenterprish section of the Intad to be and other	i- ses n e- pass- r mi- posed
unterior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as lian instries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is d	erprises was so g in, that control mal levelagin 19 established by the stablished by the stablished by the stablished by the ison between the Minister of the a university ed ing to the kind of irectly subording	reat, because of communal 19 A speci s Ministry of to be made he enterprises Interior, a leation. The production its to the M	of the lenterprish section of the Interprish and other and other and is come inspection involved.	i- ses n e- pass- r mi- posed orate d.
unterior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as lianistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is d Interior, and supervises communal ent	erprises was so grip, that control and levels in 19 istablished by the stablished by the Minister of the a university eding to the kind of irectly subording to the reprises in political accordance of the stablished in the stabli	reat, because of communal 19 A speci of Ministry of the be made he enterprises Interior, a section. The production attention the Ministry of t	of the lenterprish section of the Interprish and other and other and is come inspection involved in the following	i- ses n e- pass- r mi- posed orate d. f the
underior. The growth of communal enterprise quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is d Interior, and supervises communal ent the Communist Party line closely, so qualifying factor for membership on the	erprises was so g in, that control mal levelagin 19 established by the sea any changes ison between the Minister of the a university ed ing to the kind of irectly subording erprises in poli- political adheren- he committee.)	reat, because of communal 19 A speci of Ministry of the be made he enterprises Interior, a leation. The production the to the Ministry of the tothe Ministry of the tothe Ministry to the Figure 10 th	of the lenterprish section of the Interprish and other and other and is come Inspection involved in the following	i- ses n e- pass- r mi- posed orate d. f the
underior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as lianistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is d Interior, and supervises communal ent	erprises was so g in, that control mal levelagin 19 established by the sea any changes ison between the Minister of the a university ed ing to the kind of irectly subording erprises in poli- political adheren- he committee.)	reat, because of communal 19 A speci of Ministry of the be made he enterprises Interior, a leation. The production the to the Ministry of the tothe Ministry of the tothe Ministry to the Figure 10 th	of the lenterprish section of the Interprish and other and other and is come Inspection involved in the following	i- ses n e- pass- r mi- posed orate d. f the
underior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with its divided into many sections, accord "The Regional National Committee is d Interior, and supervises communal ent the Communist Party line closely, so qualifying factor for membership on the mittee assigns production contingents"  The Regional Inspectorate answers	erprises was so g in, that control and levelagin 19 stablished by the stablished by the stablished by the stablished by the is. Any changes dison between the Minister of the a university ed ing to the kind of irectly subording terprises in poli- political adheren the committee.	reat, because of communal 19. A speci of Ministry of the be made he enterprises Interior, a cation. The production atte to the Midcal matter ace to the Regional	of the lenterprish section of the Interprish and other and other and is come inspection involved in the Interpretation of the Interp	i- ses n e- pass- r mi- posed orate d. f the llows he Com-
underior. The growth of communal enterprise quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is d Interior, and supervises communal ent the Communist Party line closely, so qualifying factor for membership on t mittee assigns production contingents	erprises was so g in, that control mal levelagin 19 established by the sea any changes ison between the Minister of the a university ed ing to the kind of irectly subording erprises in poli- political adheren- he committee.)	reat, because of communal 19. A speci of Ministry of the be made he enterprises Interior, a cation. The production atte to the Midcal matter ace to the Regional	of the lenterprish section of the Interprish and other and other and is come inspection involved in the Interpretation of the Interp	i- ses n e- pass- r mi- posed orate d. f the llows he Com-
interior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is de Interior, and supervises communal enter the Communist Party line closely, so qualifying factor for membership on the mittee assigns production contingents "The Regional Inspectorate answers al Secretary of the Communist Party."  "The District National Committees the	erprises was so grin, that control mal levels in 19 established by the stablished by the minister of the a university eduing to the kind of irectly subording erprises in political adherent he committee.)	reat, because of communal 19 A speci s Ministry of the be made he enterprises Interior, a leation. The production te to the Mical matter ice to the Fine Regional Committee and the formulation of the Regional committee and the formulation of committee and the formulation of communication of committee and the formulation of committee and the formulation of communication of commun	of the lenterprish section of the Interprish and other and other and is come inspected in involved in interprish (It follows). (It follows) and the Republic an	i- ses n e- pass- r mi- posed orate d. f the llows he Com-
Interior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is de Interior, and supervises communal enter the Communist Party line closely, so qualifying factor for membership on the mittee assigns production contingents "The Regional Inspectorate answers al Secretary of the Communist Party."  "The District National Committee; the is conducted by the Economic Section of the Communic Section of the Com	erprises was so grin, that control mal levels in 19 established by the stablished by the minister of the a university edding to the kind directly subording to the kind directly subording to the kind directly subording political adherent he committee.)	reat, because of communal 192 A species Ministry of the best and heart of production the to the Middle Matter and the Regional Committee and the communitate which	of the lenterprish section of the Interprish and other and other and is come inspected in involved in interprish the Republic of the Republic	i- ses n e- pass- r mi- posed orate d. f the llows he Com-
Interior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is de Interior, and supervises communal enter the Communist Party line closely, so qualifying factor for membership on the mittee assigns production contingents.  "The Regional Inspectorate answers al Secretary of the Communist Party.  "The District National Committee: the is conducted by the Economic Section on nominated by the District National Communists. The managers are loyal Communists. The members are loyal Communists. The members are loyal Communists.	erprises was so grin, that control mal levelagin 19 stablished by the stablished by	reat, because of communal 19 A speci s Ministry of the be made he enterprises Interior, a section. The formulate to the Mical matterior to the Regional Committee and tof communicate, which itself of the formulate for all	of the lenterprish section of the Intad to be and other and other and inspect in involved in interprish the Republic and the	i- ses n e- pass- r mi- posed orate d. f the llows he Com- gion- rises turn, ise
undation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is d Interior, and supervises communal ent the Communist Party line closely, so qualifying factor for membership on the mittee assigns production contingents.  "The Regional Inspectorate answers al Secretary of the Communist Party.  "The District National Committee: the is conducted by the Economic Section comminated by the District National Communists. The managers are loyal Communists. The managers are loyal Communists. The min his enterprise, despite the fact the	exprises was so grin, that control mal levelagin 19 stablished by the stablished by	reat, because of communal 19 A speci species Ministry of the best and a species of the species o	of the lenterprish section of the Inta ad to be and other and other and inspect in inspe	i- ses n e- pass- r mi- posed orate d. f the llows he Com- gion- rises turn, ise
interior. The growth of communal entequidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is d Interior, and supervises communal enterprise communist Party line closely, so qualifying factor for membership on the mittee assigns production contingents.  "The Regional Inspectorate answers al Secretary of the Communist Party.  "The District National Committee: the is conducted by the Economic Section on nominated by the District National Communists. The managers are loyal Communists. The members are loyal Communists. The members are loyal Communists.	exprises was so grin, that control mal levelagin 19 stablished by the stablished by	reat, because of communal 19 A speci species Ministry of the best and a species of the species o	of the lenterprish section of the Inta ad to be and other and other and inspect in inspe	i- ses n e- pass- r mi- posed orate d. f the llows he Com- gion- rises turn, ise
Interior. The growth of communal entequidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Central Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is d Interior, and supervises communal enterprise for membership on the Communist Party line closely, so qualifying factor for membership on the mittee assigns production contingents.  "The Regional Inspectorate answers al Secretary of the Communist Party.  "The District National Committee: the is conducted by the Economic Section nominated by the District National Committee in his enterprise, despite the fact the is not responsible for tax matters of the District National Committee.	exprises was so grip, that control mal levelagin 19 stablished by the stablished by	reat, because of communal 19 A species Ministry of the be made he enterprises Interior, a leation. The front of production attended to the Middle matterice to the Production of the Regional Committee and the front of communative, which ority of the libte for all erts within reference of communatives, which or the District of the Dis	of the lenterprish section of the Inta and other and other and other and is come in inspect an involved in it. (It follows the Interprish occurrent the enterprish occurrent the enterprish occurrent and the Regular and the	i- ses n e- pass- r mi- posed orate d. f the llows he Com- gion- rises turn, ise nces rprise; ection
Interior. The growth of communal enter quidation of private property ownersh was transferred to district and regio called the Central Inspectorate was erior to supervise communal enterprise ed by the Central Inspectorate.  "The Cantral Inspectorate acts as liamistries. It is headed by the Deputy of a group of 'experts', all men with is divided into many sections, accord "The Regional National Committee is d Interior, and supervises communal ent the Communist Party line closely, so qualifying factor for membership on the mittee assigns production contingents "The Regional Inspectorate answers al Secretary of the Communist Party.  "The District National Committee: the is conducted by the Economic Section comminated by the District National Communists are loyal Communists. The main his enterprise, despite the fact the is not responsible for tax matters	exprises was so grip, that control mal levelagin 19 stablished by the stablished by	reat, because of communal 19 A species Ministry of the be made he enterprises Interior, a leation. The front of production attended to the Middle matterice to the Production of the Regional Committee and the front of communative, which ority of the libte for all erts within reference of communatives, which or the District of the Dis	of the lenterprish section of the Inta and other and other and other and is come in inspect an involved in it. (It follows the Interprish occurrent the enterprish occurrent the enterprish occurrent and the Regular and the	i- ses n e- pass- r mi- posed orate d. f the llows he Com- gion- rises turn, ise nces rprise; ection

SEE LAST PAGE FOR SUBJECT & AREA CODES

25X1	Α
------	---

- 2 -

agent, and member of the Party Secretariat. He is usually a hated man, because his duties include countering sabotage acts, publishing penal sarctions, and maintaining discipline. He is in touch with the Security Section, both from his office and his nome. The Cadres Officer is under the Communist Secretary. He screens all employees; no one may be hired or fired without his permission. He is the judge in any situation involving an employee, including promotion. He is also responsible for enterprise education.

- 7. "The Personnel Department of an enterprise carries out orders of the Cadres Officer. It handles doctors' certificates, national insurance matters, and is responsible for bookkeeping (wages and payrolls); it drafts written agreements. (Wages and salaries are subject to approval of the Cadres Officer).
- 8. "The Economic Section of an enterprise is responsible for all financial matters. It is in contact with the bookkeeping office, and is always headed by a tried Communist.
- The Bookkeeping Section uses Fisher-Elliott machines for making surveys and summaries. A uniform accounting method is used throughout Czechoslovakian enterprises by special decree of the Ministry of the Interior. This method divides each enterprise into sections, for accounting purposes. The divisions includes 0: investment; 1: small inventory; 2: customers and suppliers; 3: expenses, etc.; 9: amortization. The function of this office is not a simple one. It operates under bank supervision. Concerned with production, it works with the Calculation Department and the Frice Department of the Ministry of Industry, (without whose concurrence no prices can be established). As of 1952, the books for 1949 had still not been closed; and the reimbursement of private owners was not complete, so calculations were not realistic at that time.
- 10. \*The Warehouse Bookkeeping Section has the complicated job of recording all movements of merchandise; packing, shipping and freight costs vary from one warehouse to another, and, thus, contribute to the variance in ultimate value of merchandise.
- 11. "The Wages Bookkeeping Section keeps payroll records, and withholds taxes and insurance payments. (National insurance costs 24% of wages; of this, the employer pays 13.9%, and the employee 10.1%. The premium covers sickness, old age and
- 12. "The <u>Investment Bookkeeping Section</u> surveys enterprise investments, and suggests depreciation figures for the balance sheet, subject to the bank's approval.
- 13. "The Planning Section was established in 1949. It fixes production plans and monthly quotas. The assignment of raw materials to an enterprise depends upon the quotas established. (There were some grotesque cases of quota fixing in the beginning; one of them involved the manager of funeral services, who was given an unrealistic quota, and could not fulfill it without committing murders.)
- 14. "The <u>Legal Department</u>, like all legal departments and courts in the country, makes a joke out of justice. It sees that those who are not considered to be loyal to the Farty are persecuted. Officers in this department advise employees on matrimonial matters. They draft agreements with former owners (the formulation of which depends upon the relationship of the former owner to the Communist Party), and with national administrators, etc.
- 15. "The Tax Section is responsible for tax surveys, and is subordinate to the tax section of the District National Committee.
- Matter Invoice Section conducts surveys on all invoices issued by the enterprise. Enterprise invoices must be issued within three days after shipment of merchandise, or completion of work. For each day's delay after three days, the customer is allowed to deduct 0.1%. On the other hand, the supplier is entitled to ask penal sanction for an invoice which has not been paid within fourteen days of receipt. All orders placed pass through this section.

## CONFIDENTIAL

## Approved For Release 2003/03/12 : CIA-RDP82-00047R000400430001-8

CONFIDENTIAL

25X1A

**∞** 3 ∞

The Furchasing Section places all orders for raw materials and equipment.

- 17. "The Building Maintenance Section is divided into departments which correspond to enterprise divisions. Its budgets are consistently exceeded, even by 100%, because of low productivity due to poor worker morale.
- 18. "The Metals Securing Section procures metals for all enterprises dealing in metals; for instance: chrome and nickel plating shops, locksmith shops, etc.

  It deals primarily in repairs. Material for new products is delivered through 'Kovomat', 'Technomat', 'Elektra', etc., / sic /. (The most important enterprise involving the use of metals is the electromotor industry and the generator producing industry.)
- 19. "The Wood Section handler all cabinet making, carpentry, and furniture shops, and especially the 'Technomat' enterprise. The worker morale in this section is as poor as the morale in the building maintenance section.
- 20. "The Hotel Section is divided into groups for the service of Ozechoslovakian hotels, and the service of other enterprises. The section services hotels in three categories: A and B group hotels are under national administration; C group hotels are communal enterprises. The Hotel Section maintains restaurants, cases and bars. The Hotel Section uses the free market for goods, so substantial profits are made by the communal enterprises.
- 21. "The Public Utility Section controls various enterprises, such as barber shops, shoe repair shops, tailor shops, upholstery shops, book stores, etc. Its main service is selling to consumers / sic /. This section controls the cleaning service in city funeral homes, outdoor advertising, and some crafts enterprises.
- Transportation Section: Except for the Czechoslovakian State Railways and Buses, this section had a monopoly on all transportation. The Moving Vans Section was transferred to the State Railways in 1951. (The District National Committee felt that trucks should be operated by the Czechoslovakian State Railways when fully loaded). In general, the trucks are in poor condition. They are old vehicles, of German origin, and the non-availability of spare parts renders about 50% of them out of operation.
- 23. The backbone of communal enterprises are the city water supply system, and gardens maintenance. The principle behind the establishment of the communal enterprise system was the liquidation of private ownership and free enterprise. The success of the communal enterprises program depends on the extent and efficiency of State support.

end -

## JERARY SUBJECT & AREA CODES

787.1

27M